RAJYA SABHA

Wednesday, the 18th November, 1987/
27 Kartika, 1909 (Saka)

The House met at eleven of the clock, **Mr. Chairman** in the Chair.

ORAL ANSWERS TO QUESTIONS

Winding up of offices by Foreign Airlines

*161. SHRI PARVATHANENI UPENDRA : Will the Minister of CIVIL AVIATION be pleased to state :

(a) whether it is a fact that major foreign airlines operation in India with offices located in major metropolitan cities are slowly winding up their establishments and entrusting their work to General Sales Agents (GSA), and

(b) if so, what are the reasons therefor and the steps taken by Government to persuade the airlines to continue with their offices in India ?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION AND THE MINISTER OF STATE OF THE MINISTRY OF TOURISM (SHRI JAGDISH TYTLER) : (a) and (b) While foreign airlines do not statutorily furnish such information to the Aeronautical Authority of India, three foreign airlines namely, Garuda of Indonesia and TWA of USA and Burma Airways have suuspended their services to/through India recently. Airlines operate in terms of bilateral agreements and their operations are guided more by economic and commercial considerations

SHRI PARVATHANENI UPENDRA : Sir, the Minister's answer is incomplete because not those airlines but, as far as the information goes, a number of airlines are closing their offices in different places They are the Gulf Air and the Saudi Arabian Airlines. The Air France closed down its offices in Calcutta, Bangalore and Hyderabad, and it appointed a GSA there. In Madras alone, three major airlines have terminated the services of their employees. They are the Alitalia, the TWA and the KLM. Like this, a number of airlines are closing down their offices in various cities. There are 34 foreign airlines operating through India, and about 2,000 persons have been employed. They are Indian employees. They are all affected by the closure of these offices I would like to know from the hon. Minister whether the Co-ordinating Committee of 24 trade unions has submitted a memorandum to him demanding that the airline industry should be notified under section 10 of the Contract Labour Act, 1970 and under section 10 of the Industrial Disputes Act, and, if so, what was his reaction.

SHRI JAGDISH TYTLER : Sir, I would like to inform, about the first part of the question, when I mentioned the three airlines, these three airlines are closing down their offices in India.

What you are referring to is that some of their airlines are closing down their offices in different parts of the country.

We do not control at all their opening of offices except that whenever they want to open up an office in our country, they do take the permission of the Reserve Bank. I would also like to inform you, Sir, that the Ministry of Labour mentioned that the Government comes into the picture only when retrenchment of the staff takes place in an establishment employing more than 50 employees. Further, it is also a subject which relates to the State Governments. In so far as the Ministry of Civil Aviation is concerned the existing law in the civil aviation sector, the Aircraft Act, 1934, the Aircraft Rules, 1937, etc. do not cover the matter relating to opening of offices by foreign airlines, employment of staff etc. Bilateral air agreements also do not contain any clause on such matters Opening of offices by foreign airlines and employment matters are covered by the Foreign Exchange Regulation Act and the Industrial Disputes Act respectively The former Act is administered by the Reserve Bank of India, and the Ministry of Labour and the State Governments administer the latter Act.

As far as our receiving a memorandum from 24 unions is concerned, I have not received. If you forward it to me, I would like to help them as much as possible.

SHRI PARVATHANENI UPENDRA: My other question is this. The Minister has admitted that there is a lacuna in the Act. Would the Government take action to amend the Act? Definitely the Government can provide in the Act or while giving the permission to foreign airlines to operate in India, they can stipulate a condition that they must have an office here and that they should not employ a GSA instead.

Part (b), while employing a GSA and closing down their offices, they are cutting down their expenditure and earning enormous profits which they are utilising to undercut rates. There is an unfair competition also, because of which our Air India is also being affected. Will the Minister take steps so that they do not reduce the rates to the disadvantage of Air India and other foreign airlines?

SHRI JAGDISH TYTLER: Sir, all airlines are governed by the IATA regulations. That is an international body which regulates the fares. We cannot control other Airlines and we cannot tell them that you can have your own offices and you cannot have agencies and all that. The competition is such that they want to sell their tickets. Under the IATA regulations there is a set commission which is given to the agents. But once they appoint GSA they are allowed 3 per cent extra and more commission on selling certain tickets. So what happens these agents give concessions out of their commissions so that they are able to sell their airlines tickets. It is a competition affairs. I do not think the Government of India or any Government in the world has regulations to control such things. I would also like to inform the hon. Member that places like America where it is not legal to have GSA what the airlines are doing is that they are able to give more commission under such consolidators. So it is a commercial venture of the airlines. Whereas it is possible our Air India is also doing.

MR. CHAIRMAN: Next question.

*162. [*The questioner (Shri Ajit P. K. Jogi) was absent. For answer,* vide *cols.* 31—34 *infra*].

163. [*The questioners (Shri Ramnarayan Goswami and Shri Sunil Basu Ray) were absent. For answer,* vide *cols.* 33 *infra*].

†164. [*The questioners (Shri Pawan Kumar Bansal and Shrimati Krishna Kaul were absent. For answer,* vide *cols* 34-35 *infra*]

Purchase of Electronic Lung Function Machine by Safdarjung Hospital

†165 SHRI ATAL BIHARI VAJPAYEE†:
SHRI KAILASH PATI MISHRA:

Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

(a) whether it is a fact that the Safdarjung Hospital, New Delhi had purchased an expensive 'electronic lung function machine' despite the fact that there were no trained personnel available to handle it and that a high level Screening Committee had categorically rejected the proposal;

(b) if so, what were the reasons assigned by the Committee for its rejection and what compulsion arose later to purchase it; and

(c) whether it is also a fact that two Operation Tables worth lakhs of rupees which had not measured up to the required specifications had been purchased and a Treadmill for use in heart-tests, costing several lakhs of rupees is lying unused and if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF HEALTH AND FAMILY WELFARE (KUMARI SAROJ KHAPARDE): (a) and (b) The proposal for the purchase of "electronic lung function machine" was initiated in October,

†The question was actually asked on the floor of the House by Shri Atal Bihari Vajpayee.